ciation. X-Ray service will be furnished for fractures and suspected fractures, and in all other cases deemed necessary or advisable by the Association's Physicians and Dentists. X-Rays of teeth as requested by the Association's Physicians and Dentists but no full mouth X-Rays until after one year's membership. Dental service is only for cleaning (not scaling), examination, treatment of acute tooth ache, extraction of any number of teeth, (impacted wisdom teeth and dental surgery excluded) but at no time shall the fee paid by the Association to the Dentist for extractions exceed the amount the Member has paid in dues to the Association after the first month. Treatment for pyorrhea and trench mouth is excluded under this contract. Optometric service is only for eye examinations and consultations by the Optometrist designated by the Association. Ambulance service will be provided when prescribed by the Association's Physicians, within the city limits of Portland. Ultra Violet Ray, Infra-red, Diathermy and Polysine electric treatments will be furnished when requested and prescribed by the Association's Physicians. Basal Metabolism tests for Thyroid trouble will be furnished when required and so advised by the Physicians. Laboratory work is limited to those items which are specifically provided for on the first page hereof. Anti-toxin inoculations for the prevention of contagious diseases shall be only those anti-toxins which are provided by the City, County or State in which this certificate is issued. The Association shall not be liable for any bills or debts contracted by the Member in connection with any service to be furnished under this certificate unless specifically provided herein or endorsed hereon by the Association's Physicians. All services provided under this certificate are applicable only within the corporate limits of the city in which this certificate is issued, except that provided for in clause (j) herein.

(i). Iron injections will be furnished by the Association for conditions covered by this certificate when and as they are directed by the Association's Physician, but not until this certificate has been in force for at least 3 months from effective date hereof. The Association will furnish iron injections by the Association's Physician under this certificate upon request of the Member, but in so doing the Association assumes no other liability for conditions having their inception prior to the effective date hereof. Cold vaccine inoculations and Wasserman test will be furnished when and as they are directed by the Association's Physician, after the member has paid at least 3 months' dues from effective date hereof.

(j). Should the Member necessitate first-aid treatment by a Physician and Surgeon for an injury received while outside the city in which this certificate is issued, that injury being covered under this certificate, the Association will furnish such first-aid treatment but not to exceed an expenditure by the Association of more than fifteen dollars.

(k). The length of time for services under this certificate in case of sickness or injury shall be unlimited for medical and/or hospital service. Services for contagious diseases that are not accepted at the large general hospitals in ward rooms, cardiovascular disturbances, tuberculosis, ulcers of the gastro-intestinal tract, tumors, cancers, and genito-urinary ailments, covered by this certificate, will be furnished the Member only at the offices of the Physicians and Surgeons of the Association and at the home of the Member. Services for conditions requiring major operations will be furnished only for those conditions which have their inception or beginning more than six months after the effective date hereof.

(l). No services provided for in this certificate are compulsory on the Member and any such service rendered by the Association shall be at the option of the Member, and the Association shall at all times be held inviolate as a result of such service. Should the Association in any emergency or otherwise, render any services to the Member on any case not covered by this certificate or for which the Association is not liable, such service shall be construed as voluntary and gratis on the part of the Association, and the Association shall not be required to accept liability on any such case by reason of having rendered such treatment, and reserves the right to discontinue such services without notice at any time without obligation.

(m). Upon request of the Member, medical examinations will be furnished the Member each quarter year after the first three months' dues are paid. Examinations of the Member and laboratory tests made by the Physicians of the Association are at all times only for the information of the Member, and such examinations and tests shall in no way bind the Association, nor be construed as acknowledgment by the Association that the Member is free from disease or injury and the Association reserves the right to at all times exercise its rights with respect to disease, ailment and injury cases which are excluded from service in this certificate.

(n). Should the Member require any Medical, Surgical, Hospital, Dental or Optometric service or supplies, that are not covered under this certificate, the Association will arrange for the Member to receive the discount which is available to the Association for such service or supplies during the life of this certificate.

5498

8355

(o). The Member is required to notify the Association when in need of the services as provided herein and the Association upon issue of this certificate has furnished the Member with an identification receipt upon which are given instructions as to how to procure service; but the Association assumes no responsibility whatever nor liability of any kind for any result of miscarriage of messages by telephone or otherwise.

(p). No person other than the President, Vice-President or Secretary of the Association has the power to make or modify this or any other agreement of the Association in any respect whatever, and the Association is not responsible for, and shall not be bound by any promise or representations made by any person other than the officers named, and then only when endorsed hereon. The issuance of this certificate supersedes any previous certificate issued to the Member by this Association, and payment of dues hereon constitutes acceptance by the Member of this certificate and its terms and provisions herein contained.

IN WITNESS WHEREOF, the PRUDENTIAL HOSPITAL ASSOCIATION, has caused this certificate to be signed by its President, but the same shall not be binding upon the Association unless countersigned by its Secretary.

_____

President.

Countersigned and issued at the office of the Association at Portland, Oregon, the day and year first written above.

_____

Secretary.

The following rates are referred to and made a part of this contract:

	Ages	Mo.	Quar.	Semi.	Ann.
Each Child (joining with parent)	3 to 14 yrs.	$1.00	$2.75	$5.25	$10.00
Each Child (joining with parent)	Over 14 yrs.	1.25	3.50	6.75	13.00
Each Child (joining without parent)	Any age	1.50	4.25	8.25	16.00
Woman (joining with husband)	Up to 45 yrs.	1.25	3.50	6.75	13.00
Woman (joining without husband)	Up to 45 yrs.	1.50	4.25	8.25	16.00
Man	Up to 45 yrs.	1.50	4.25	8.25	16.00
Woman (joining with husband)	46 to 50 yrs.	1.75	5.00	9.75	19.00
Woman (joining without husband)	46 to 50 yrs.	2.00	5.75	11.25	22.00
Man	46 to 50 yrs.	2.00	5.75	11.25	22.00
Woman (joining with husband)	51 to 56 yrs.	2.25	6.50	12.75	25.00
Woman (joining without husband)	51 to 56 yrs.	2.50	7.25	14.25	28.00
Man	51 to 56 yrs.	2.50	7.25	14.25	28.00

REGISTRATION AND MEMBERSHIP FEES

$3.00 for one person; $4.50 family rate, covering all the immediate members of any one family.

Should either husband or wife discontinue membership for any reason whatsoever, the one remaining shall be required to pay individual rate thereafter.

MEMBERSHIP CERTIFICATE

No._____

Prudential Hospital Association

of the

STATE OF OREGON

Issued to

_____

NOTICE

This Certificate of Membership provides the holder with Medical, Hospital, Drug, Optometric and Dental Service.

All to the extent contained herein.

It also provides for a system of periodic examinations, tests and preventative measures to prevent sickness.

A duplicate of this certificate is on file in the office of the State Insurance Commissioner at Salem, Oregon, as required by law.

READ YOUR CERTIFICATE

Plaintiff's Exhibit 1852

8356 JASPER PARK LODGE
JASPER NATIONAL PARK
in the Canadian Rockies
JASPER, ALTA.

Sept. 4, 1939

Dear Dr. Moore—

Your letter forwarded to me.

The statement I made was exactly as proposed to me by your agent.

My viewpoint is one of wanting to see this work entirely in the hands of the profession. All groups offering the same. Hoping at some time that they may unite into a single organization. Since the lay ownership has
8357 been removed from the Industrial I see no reason why your organization is not as acceptable as the Multnomah Service or any other professionaly owned one. As your agent presented it however—it struck me as "chizeling" or at least offering more than the others—and so it seemed to others to whom it was proposed
8358 as a business proposition it is very fair and O.K. Perhaps I am hoping for too much.

One thing—I assure you I have never been in favor of the action on the part of the Multnomah County Med. Soc. regarding you fellows. In fact have have said so in the State Committee Meetings and have been promptly
8359 told it was none of my business as I do not belong to that Society. However I do not feel that way. I did not consider it fair play and feel that it affected the profession of the Entire State. However I received a slapping, Espec. from the "specialists."

Dr. Carruth is here and have discussed this with
8360 him. He will make my viewpoint more clear to you.

Respect

(Signed) TOM COBERTH

8361 September 6, 1939

Dear Dr. Pilkington:

Under what we term our "Doctors' Cooperative Agreement Plan" the physicians participating have an opportunity to share in any profits which may be made on the con-

tracts included within the district and thereby they directly benefit from the efficient and economical handling of all cases under treatment. In other words, the charge has been frequently made that the hospital associations make their profits at the expense of the doctors. Our District Cooperative Plan was set up so that the doctors themselves would directly share in all profits. The Plan works as follows:

Each month each physician participating in the cooperative arrangement receives a report from our office showing all revenues collected during the month, all bills paid, such as hospital bills, dentists, druggists, first-aid supplies and X-rays. Everything is listed in this group excepting bills from the physicians participating in the Plan. These so-called "outside bills" are deducted from the total amount of revenue; then the revenue which is remaining is divided on a pre-arranged ratio between the participating physicians and our Association. These participating physicians bill for their services on a regular fee schedule basis. If the amount of money allotted to the physicians is sufficient to pay all the participating physicians in full, their bills are paid. If there is more than enough to pay the bills, the surplus is set up to the credit of the doctors. It belongs to them and not to our Association. The surplus is carried forward to the next month and is allowed to accumulate from month to month. At the end of a year, the accumulated surplus is distributed to the participating physicians in the form of a dividend, each receiving his share according to the total amount of his bills during the preceding year. If, perchance, some months there was not enough in the doctors' share to pay all of the participating physicians' bills, then their bills would be pro-rated, but we guarantee to pay at least 75% of the amount of the bills. When they do not receive full payment of their bills a record is kept of the unpaid portion and sufficient funds accumulate in the doctors' share, then these unpaid portions are picked up and paid. We have had dividends in every district where this plan has been in effect, with the exception of Portland. In Portland we have never been able to accumulate a surplus.

8362

Under this plan you will see that it gives the physicians an incentive to avoid unnecessary expense in treating cases.

From our standpoint, we like the District Plan for the reason that by having this incentive on the part of the

doctors to economize we likewise share in the benefits by increasing the amount of revenue that comes to us.

While the foregoing was being written a reply to Dr. Moore's letter to Dr. Coberth was received. This puts an entirely different light upon his criticism. In Coberth's reply to Dr. Moore he says that he likes our District Plan from a business standpoint but that he felt that we were chiseling on the other hospital associations by offering such a plan because it was better than anything anyone else was offering. His criticism was that all hospital associations should be standardized or united in some way so there would be no "chiseling" by one upon the others by offering better propositions to the doctors. His reply is very friendly, stating that he has criticized the Multnomah Medical Society for their attitude towards the Industrial as he thinks that we are entitled to the same consideration as the Multnomah in view of the fact that all of the stock of the Industrial is owned by physicians.

In view of his letter, I doubt very much if anything at all will be said about our Cooperative Plan at the State meeting. If it is and they make any inquiry of you, I think that your explanation should be, briefly: that the District Cooperative Plan is exactly as its name implies—a cooperative arrangement between the participating physicians and the Industrial, and under this arragement it allows the physicians to participate to the fullest extent in all the benefits of these medical contracts.

8363 As yet, Dr. Moore says, that no one has invited him to be present at the Medical Society meeting, and he would be very glad to be there in the event there should be any discussion in which they would like to obtain information from him or ask him questions or like him to present our viewpoint. If you could arrange for that invitation I am sure that he would appreciate the same.

In regard to the prescription situation, I think you could size up our situation by saying that we naturally would like to be relieved of furnishing prescriptions. We are eliminating prescriptions from many of our contracts; however, there is a large number of contracts where it will be impossible to eliminate prescriptions for a long time to come. You will understand that in the camps and mills and other places like that where a man comes in from out of town for treatment and is in need of medicine it will be up to us to provide him the medicine if he is not in position to buy it for himself. Moreover, it is going to be a slow process in removing the clause regarding prescriptions from our

old-time contracts where they have been accustomed to receiving that services for many years, As a general policy, we are eliminating prescriptions from our new contracts wherever it is possible.

Sincerely,

WTK H

8364 July 20, 1939

Dr. O. C. Hagmeier
Seaside
Oregon

Dear Dr. Hagmeier:

Dr. Pilkington has informed us of your request for a copy of the letter addressed to us by the Multnomah County Medical Society inviting the Industrial Hospital Association to make application for approval of the medical society in this county.

We are pleased to enclose a copy of said letter with a copy of the reply made by Dr. Chester C. Moore, president of our association.

Very truly yours,

INDUSTRIAL HOSPITAL ASS'N.

General Manager

WTK D
c.c. Dr. Pilkington

8365 July 10, 1939

Multnomah County Medical Society
Dr. Roy A. Payne
Chairman of Committee
Portland, Oregon

Gentlemen:

At a meeting of the doctors constituting the board of directors of the Industrial Hospital Association, I was instructed to acknowledge receipt of your letter of June 24 and to express our appreciation for your communication.

On this subject, I assure you, we will lend every effort to cooperate with the Medical Society. However, as I am leaving tomorrow for an extended trip, it will be fully one month before I can enter into a further discussion of the details of your contemplated plan. I will notify the chairman of your committee upon my return which I hope will be an opportune time for me to meet with you.

Very truly yours,

Chester C. Moore, M. D.

CCM D

8366 MULTNOMAH COUNTY MEDICAL SOCIETY
PORTLAND, OREGON

OFFICE OF THE SECRETARY

June 24, 1939

Industrial Hospital Association
Medical Arts Building
Portland, Oregon

Gentlemen:

As you probably know, the Oregon State Medical Society has adopted a policy and program in regard to the furnishing of prepaid medical care to low-income industrial workers. The principles underlying this policy and program are two-fold:

1. Such plans shall be local in their character, depending on the conditions existing in a given county or district, and such as meet with the approval of the local medical society;

2. The plans shall be formulated and carried out in the best interest of the public, the patients and the profession, and according to the fundamental ethics of the profession.

A committee of the Multnomah County Medical Society has been working on such a plan for this county. After considerable work, the committee reported that it felt that the most feasible approach to a solution of the problem was to effect the reorganization of one or more agencies now contracting for such care in Multnomah County in such a manner as might be approved by the Society.

The Multnomah Medical Service Bureau (formerly the Multnomah Industrial Health Association) applied to the

Society to be an approved agency to administer such a plan in this county, based upon carrying out certain changes in its corporate structure and practices. The committee studying this problem recommended to the Council of the Society that the Bureau be approved as an agency to provide medical care to low-wage industrial groups in Multnomah County, subject to the fulfillment of certain conditions. The Council of the Society subsequently adopted the report of the committee.

At the same time, the Council approved another report of the committee which recommended:

1. That a committee of the Council be set up to keep in contact with all plans of prepaid medical care in Multnomah County, and serve as an advisory committee to the Council in connection with problems relating to prepaid medical care;

2. That this committee contact organizations other than the Multnomah Medical Service Bureau now engaged in contracting for medical and related services to low-wage industrial groups in Multnomah County, for the purpose of giving them the opportunity to apply to become an approved agency to administer such a plan in this
8367 county.

The undersigned were elected as such a committee. This committee would be glad to receive from your organization a plan, consistent with the policy and program of the Oregon State Medical Society and the Principles of Medical Ethics, whereby you might apply to become an approved agency to administer such a plan in this county.

Very sincerely yours,

MULTNOMAH COUNTY MEDICAL SOCIETY

by Committee on Plans of Medical Care for Low-Wage Industrial Groups

(Signed) ROY A. PAYNE
Chairman

N. W. Jones
Dean B. Seabrook

Plaintiff's Exhibit 1853

8368 *IHA*:

Doctors who we have evidence of refusing tickets other than IHA and who Brunkow *says* refused IHA also.

Jensen, L. C. Medford
Fox, Irvin R., Eugene
Dale, William H., Eugene
Wilson, C. P., Portland
Lehrbach, L. M. Roseburg
Neely, Paul, Portland
Saunders, Thomas S., Portland
Homann, Paul H., Portland
Underwood, F. J., Portland
Straumfjord; Astoria
Kleger, Astoria
Matthews, T. Astoria
Anmann, Kurt, Corvallis
Marcum, Robert W., Corvallis
Asbury, Frederic R., Corvallis
Anderson, H. J., Corvallis
Long, George, Portland
Lodwell, L. A., Portland
Shoemaker, Roseburg
Laird, Donald, Portland
Holcomb, Blair, Portland
Burns, E. M., Portland
Carter, F. W., Portland
Trullinger, Gresham
Bettman, A. G., Portland
Griffith, Thomas, The Dalles
Rippey, Portland
Gurney, Portland
Gambee, Portland
Rockey, Portland
Ray, Leon; Forest Grove
Davis, H. Portland
Hutchens, W., Portland
Parcher, R. W., Seaside
Platner, Brightwood
Yost, Portland
Ogle, Grants Pass
Smith, Mervin H., Astoria
Allen, Anson G., Astoria
Roberts, Alvan

McGraw
Fixott
Marston Portland
Moran Eugene
Kaufman, C.
Hanford, Roy E, Roseburg
Montgomery, Thomas R, Portland
Barnes, Russell G., Medford
Brooke, Banner R., Portland
Barkwill, Bernard, Marshfield
Finley; Medford
Medical Arts Clinic, Astoria
Kullberg, Regner; Astoria
Lund, Benjamin, Astoria
McLauchlan, Duncan A., Astoria
Parlova, Clyde C., Astoria
Montague, John R., Portland
Walker, Milton V., Springfield
Ward, Needham E., Seaside
Loeffler, A. J., Medford
Swan, Kenneth C., Portland
Antony Medford
Dunnavan, Vancouver, Washington
Skinner, Henry L., Battle Ground, Wash
8369 Hoey, Charles F., Phoenix, Ore.
Lindell, E. E., Roseburg
Spalding, L. M., Astoria
Titus, Harry W., Eugene (dentist)
Howard, E. W., Corvallis
Fortner, W. H., Corvallis
Prentiss, D. C., Astoria
McCown, Arthur C., Houlton
Lynch, John S.
Gullion, O. R., Eugene
Flynn, J. H., St. Helens
Poston, R. E., Ashland
Gilpin, Burhl, Medford
Clancy, Robert W., Medford
Dodson, A. E., Medford
Roney, W. F., Medford

Plaintiff's Exhibit 1870

8370 BEFORE THE BOARD OF CENSORS
OF THE MULTNOMAH COUNTY
MEDICAL SOCIETY.

In re charges filed by the)
Grievance Committee under)
date of October 29, 1936,)
against DR. CHESTER C. MOORE.)

TRANSCRIPT OF PROCEEDINGS

Hearing held November 16, 1936.

ALVA W. PERSON
COURT REPORTER
301 COURT HOUSE
PORTLAND, OREGON

8371 INDEX

Preliminary remarks, ... 1

Notification of hearing, addressed to Dr. Chester C. Moore, ... 2

Charges read, ... 3

Notice of continuance of hearing to Nov. 16, 1936, 7:30 P.M., read, ... 5

Statement by Dr. Moore, ... 6

Dr. Moore to furnish copy of statement read by him, ... 10

Answer of Dr. Moore to charges preferred read by Mr. Foley, ... 10

Interrogation of Dr. Moore, ... 11

Exhibit 1: Affidavit of John J. Coughlin read and marked, ... 12–14

Further interrogation of Dr. Moore, ... 14

Statement of Dr. W. J. Gilstrap, ... 21

Statement by Dr. Moore in re Dr. Gilstrap's statement, 27

Letter dated Nov. 9, 1936, Industrial Hospital Association to Dr. John C. Vandervert read, ... 33

Statement by Dr. Moore in re last above letter, and further interrogation, ... 34

Discussion in re Mr. Kirk's compensation, etc., ... 36

Statement by Dr. John C. Adams, in re Oregon Transfer Company's experience with Industrial Hospital Association, etc., ... 42

Exhibit 2: Advertisement on page 12 of April 27th, 1935, issue of Oregon Voter, ... 46

Exhibit 3: Advertisement on page 8 of August 4th, 1934, issue of Oregon Voter, ... 48

8372 Further interrogation of Dr. Moore (in re Jantzen Knitting Mills), ... 48

Exhibit 4: Advertisement on page 21 of April 28, 1934, issue of Oregon Voter, ... 53

Exhibit 5: Advertisement on page 19 of Oregon Voter issue of February 2, 1935, ... 53

Exhibit 6: Advertisement on page 9 of March 2, 1935, issue of Oregon Voter, ... 53

Exhibit 7: Advertisement on pp. 14 and 15 of December 31, 1932, issue of Oregon Voter, ... 54

Exhibit 8: Photostatic copy of annual statement for year 1935 of Industrial Hospital Association, 3 sheets, 55

Exhibit 9: Manual for Members of Jantzen Organization, January, 1931, containing matter headed "Service to the Members of the Organization, Section 3, Jantzen Health Association," pp. 8 and 9, ... 55

Statement by Dr. Moore in re last above exhibit, etc., ... 56

Exhibit 10: Book entitled "Principles of Medical Ethics of the American Medical Association", ... 60

Further interrogation of Dr. Moore, ... 60

In re purchase of Mr. Kirk's interest in Industrial Hospital Association, etc., ... 61

Exhibit 11: Photostatic copy of instrument headed "Industrial Hospital Association (Incorporated) Limited Coverage", 3 sheets, ... 64

Exhibit 12: Photostatic copy of letter dated Nov. 9, 1936, Industrial Hospital Association to Dr. John C. Vandervert, ... 64

Exhibit 13: Fee Schedule, ... 64

8373 Photostatic copy of statement offered (See Exhibit 8), page 55 of this transcript, ... 64

Further interrogation of Dr. Moore (by Chairman Sears, in re charges made against Industrial Hospital Association by general hospitals, etc.,) 65

Dr. Matzloff announced that the Grievance Committee had nothing further to offer, ... 67

Further statement by Dr. Moore in re situation at the Fields Motor Car Company, ... 68

Hearing closed, ... 72

8374 BEFORE THE BOARD OF CENSORS OF THE MULTNOMAH COUNTY MEDICAL SOCIETY.

In re charges filed by the Grievance Committee under date of October 29, 1936, against Dr. Chester C. Moore.

Be it Remembered That on Monday, November 16th, 1936, beginning at 7:30 o'clock P. M., in the Auditorium of the Medical-Dental Building, Portland, Oregon, pursuant to notice, the charges as filed by the Grievance Committee under date of October 29, 1936, against Dr. Chester C. Moore, were heard before the Board of Censors of the Multnomah County Medical Society.

PRESENT:

Dr. Charles E. Sears, Chairman;
Dr. Frank R. Mount, and
Dr. Robert L. Benson, Members of Board of Censors.
Mr. Clyde C. Foley, Secretary of the Society.
Dr. John C. Adams, Executive Secretary of the Society.

Dr. Karl H. Martzloff and
Dr. R. B. Adams, Members of Grievance Committee.

Messrs. Estes Snedecor and John J. Coughlin, Attorneys for the Multnomah County Medical Society.

Dr. Chester C. Moore.

Mr. Robert F. Maguire, Attorney for Dr. Chester C. Moore.

PROCEEDINGS.

Chairman Sears: Do you want to wait until Mr. Maguire comes back?

Dr. Moore: I can probably—I will tell you, it all depends

—2—

8375 upon how you proceed.

Chairman Sears: This proceeding now is more or less a matter of formality. We want to read simply the letters that were sent to you regarding this general transaction.

Dr. Moore: Yes.

Chairman Sears: It is a reading of the letters that were sent to you.

Dr. Moore: You want to read the letters?

Chairman Sears: Yes.

Dr. Moore: All right; go ahead. The answer to that letter—we had the answer made out to the letter. Bob forgot it. It is in his office. He had to go and get it now. The answer to that letter we want to file with you as soon as you have read the letters you have.

Chairman Sears: Yes. Well, we can leave a space for that.

Dr. Moore: You can read the letter, then we will file an answer with you.

Chairman Sears: Then you can incorporate the answer. Leave a space for it.

Dr. Moore: Yes.

Chairman Sears: Well, the meeting will please come to order, and I think we will call on Mr. Foley to read the original letters to Dr. Moore and the subsequent correspondence that brings us up to date.

Mr. Foley: This is a letter sent to Dr. Moore under date of October 30th, 1936:

"Dr. Chester C. Moore, Medical Arts Building, Portland,

—3—

8376 Oregon.

"Dear Mr. Moore: The Board of Censors has had referred to it certain charges against you received by the Secretary on October 29, 1936.

"This letter is to notify you that the Board of Censors will consider these charges at a meeting to be held in the auditorium of the Medical-Dental Building on the 9th day of November, 1936, at 7:30 o'clock P. M.

"Very truly yours, Multnomah County Medical Society, by Charles E. Sears, Chairman, Board of Censors."

With that was enclosed a copy of the following charges filed by the Grievance Committee. These were under date of October 29th and were addressed to:

"Dr. John C. Adams, Secretary, Multnomah County Medical Society, Medical-Dental Building, Portland, Oregon.

"Dear Dr. Adams: We have carefully examined certain evidence presented to us regarding the contract practice of the Industrial Hospital Association and that of Dr. Chester C. Moore in connection with that association. We have also carefully considered the statements and testimony presented by Dr. Moore at the preliminary investigation held by the Board of Censors on October 26, 1936.

"It appears from this evidence and the above-mentioned statements and testimony that there is evidence that the contract practice engaged in by Dr. Moore in connection with the Industrial Hospital Association is in violation of the Principles of Medical Ethics of the American Medical Association.

"It therefore becomes our duty as the duly appointed Grievance Committee of our society to prefer the following charges against Dr. Moore:

"1. That he is associated with the Industrial Hospital Association of Portland, Oregon, and is an officer and stockholder of that Association.

—4—

8377 "2. That the Industrial Hospital Association and Dr. Chester C. Moore are engaged in the contract practice of medicine in such manner as to violate Chapter III, Article VI, Section 2, of the Principles of Medical Ethics of the American Medical Association, in that

"(a) They employ solicitation, directly or indirectly;

"(b) The manner of conducting their practice, and its tendency and effect, is such as to prevent free choice of physician;

"(c) The contract practice engaged in, and its practical results, are contrary to sound public policy.

"3. That the Industrial Hospital Association and Dr. Chester C. Moore have violated Chapter III, Article I, Section 4 of the said Principles of Medical Ethics, in that—

"(a) They issue circulars and colisit patients by advertisements and personal communications;

"(b) They procure patients by indirection through solicitors or agents.

"4. That Dr. Chester C. Moore has violated Chapter III, Article VI, Section 4 of the said Principles of Medical Ethics in that Dr. Chester C. Moore disposes of his professional attainments or services in so such a manner as to permit a direct profit from the fees, salary or compensation received to accrue to the Industrial Hospital Association and its stockholders, one of whom is a layman.

"Very truly yours, Grievance Committee."

Following the sending out of that letter it is my understanding that the Chairman of the Board was communicated with verbally by Dr. Moore, who requested a postponement from the date stated, namely, the 9th day of November, so following a meeting of the Board of Censors the following letter was sent to Dr. Moore, under date of November 5th:

—5—

8378 "Dr. C. C. Moore, Medical Arts Building, Portland, Oregon.

"Dear Dr. Moore: In accordance with your request, the Board of Censors has voted to postpone for a full week consideration of the charges against you now pending before it. The Board will consider these charges at a meeting to be held in the auditorium of the Medical-Dental Building on the 16th day of November, 1936, at 7:30 P. M.

"You understand that this meeting is for the purpose of giving you an opportunity to answer these charges, and it is purely a proceeding within the Society. Your attorney would not be able to assist the Board in arriving at a fair

conclusion, for you are the one possessing the knowledge of the facts.

"Therefore the Board has voted to establish the policy of allowing you and other persons accused of violation of our code the privilege of appearing with legal counsel, with the understanding that he may act only in an advisory capacity, and will not directly participate in the hearing.

"Very truly yours, Multnomah County Medical Society, by Charles E. Sears, Chairman, Board of Censors."

Chairman Sears: It is our desire, Dr. Moore, to extend to you every possible courtesy, at the same time for your sake, as well as ours, to proceed as directly as possible to the points involved. Would you desire to make any statement at this time?

Dr. Moore: Yes. I have an answer to the charges that I will place with you as soon as my attorney arrives.

Chairman Sears: Yes.

—6—

8379 Dr. Moore: And then I have a statement that I wish to make to you, and in making this statement it merely is a reiteration of what I have attempted at a previous hearing to tell this committee. I have gone over it more in detail, and I desire to make this statement:

In coming before the Board on this occasion I desire to state that I have not been guilty of any practice or acts which warrant the Society in taking any action looking toward my expulsion or any disciplinary proceedings. I come here, however, in the spirit of fairness and cooperation, and I want to assure you and the members of the Society, that in so doing it is done with sincerity and not as a matter of lip service.

I am one of the incorporators and stockholder and president in the Industrial Hospital Association. This Association is organized under the laws of the State of Oregon and is, and for many years has been engaged in conducting work authorized by those laws. The Association does not enter into contracts, does not enter into contracts with individuals or groups of individuals for the purpose of rendering medical or surgical service, surgical aid and treatment, with the exception of one contract which, while it is with the employer, provides for an employees' welfare association. They disburse the funds collected and the Industrial Hospital Association receives a small given percentage for administration. This contract is not one satis-

factory to the Industrial Hospital Association and, I might say, to me; and if and when it can be released of its obligations it is desirous of so doing, and if the Oregon State Medical Society and your Society will cooperate with

—7—

8380 us in that regard we shall be most pleased.

The Industrial Hospital Association enters into contracts with employers to render aid and treatment which the plants' employees may be entitled to have and receive under the Workmen's Compensation Act of the State of Oregon. In addition to this, in some instances the society furnishes what it terms a greater coverage, namely, not only furnishes medical and surgical treatment for employees injured in the course of the employment, but also for injuries and illnesses received or contracted out of the course of employment. In addition thereto, it furnishes hospitalization, X-rays and dental service.

It does not and has not been engaged in furnishing services of any kind to members of employees' families or others other than those mentioned in the contracts.

The Industrial Hospital Association is engaged in a business authorized by the laws of the state and is subject to supervision by, and makes reports to, the Insurance Commissioner of the State of Oregon. Inasmuch as the Industrial Hospital Association complies with the laws of the State of Oregon, and is licensed under its laws to transact business, and is subject to supervision by the officers of the state, I suggest to you the very serious question of the propriety of this Association, this Medical Society, taking any action so far as I am concerned, relating to the acts of the Association and myself as one of its stockholders and officers.

I further suggest to you, and to the members of the Society, that should any disciplinary action be taken by

—8—

8381 reason of those acts and I am injured professionally, my legal rights would be so affected that both the profession and its members would be liable to me for the damages so incurred.

I do not come here, however, with any chip on my shoulder but in an earnest desire to cooperate in every reasonable way with the Society and with the committee.

I have been engaged in the practice of medicine and surgery in the State of Oregon for over thirty years, and I have been a member of your Society for approximately

twenty-five years. This is likewise true with regard to the American Medical Association. In all of those years there has not been the slightest suggestion of any improper professional conduct on my part.

I understand that one of the objections to the Industrial Hospital Association is that a layman has owned a portion of its capital stock. While I and my professional associates in the corporation believe that under the law no proper objection can be made thereto, yet in the spirit which I have stated the stock of the layman stockholder has been acquired by the Association and he has ceased to be a stockholder, officer or director. In order to do this it became necessary for us to amend its articles to permit—to amend the articles of incorporation to permit this Association to acquire the stock of Mr. Kirk.

The Association has further adopted a resolution to maintain full cooperation in its activities with the rules and the standards established by the American Medical Association, the Oregon State Medical Society and the Portland City and County Medical Society with regard to contract medical service. The Association further stands

—9—

8382 ready to cooperate with your Society in the matter of preparing a reasonable standard form of contract to be used by all hospital associations and to fix a standard price for which such service should be rendered. And in addition thereto the Association, and I, both as a member of this Society and as an officer of that Association, stand ready, and I am desirous of working with the Society in every endeavor to eliminate any abuses in medical contract work.

I can say confidently that the Industrial Hospital Association and I as its officer and director, have been insistent upon the rendition of the highest and best service to those for whose benefit these contracts are made. As your committee knows, I have in the past called the Society's attention to and asked its cooperation in the elimination of these weaknesses, and I personally and the Industrial Hospital Association still take the same position.

(Mr. Maguire here came into the room.)

Dr. Moore: I may state, the proceedings opened and they read the letters to me that were referred to, which we have, the different letters, and they were all read into the record. Following the reading of that I want to file my answer to that charge.

Chairman Sears: Dr. Moore, do you wish to present a copy of that statement that you have read as a part of the exhibits?

Dr. Moore: This is the answer to the charges made, and this is the article that I have just read. Have we a copy of this?

Mr. Maguire: I suggest, Doctor, there are some clerical errors in that that were not corrected.

—10—

8383 Dr. Moore: There are a few things written in in pencil.

Mr. Maguire: We can furnish a clean copy of that tomorrow.

Chairman Sears: That will be agreeable.

Dr. Moore: Yes, I will furnish a copy of this to you. There is a little of it here just put in with pencil, but I will be very glad to leave it just as it is here and have it copied and give you a copy of it.

Dr. Martzloff: We have the reporter's notes. They should agree pretty well.

Dr. Moore: Yes. I tried to read it as it is written. I will be very glad to furnish a copy.

Dr. Richard B. Adams: This probably should be read into the record, shouldn't it?

Dr. Martzloff: Pardon me, Dr. Sears, I would like to go ahead and ask Dr. Moore questions.

Chairman Sears: This is to be incorporated, as you know, following the last of the three first letters read.

Mr. Foley: It is: "With regard to the charges preferred against Dr. Chester C. Moore, he files the following answer:

"1. That it is no offense against him that he is associated with Industrial Hospital Association and is an officer and stockholder of that Association.

"2. He denies the allegations of charge No. 2 and specifically denies

"(a) That he or said Association has directly or indirectly solicites patients;

"(b) Denies that he or said Association has so conducted his or its practice so as to prevent a reasonable free choice of physicians.

"(c) He objects to specification (c) of paragraph 2 in that he is not informed in what manner and

—11—

8384 in what particulars the contract practice engaged in by the Industrial Hospital Association of which he is an officer and stockholder is contrary to sound public policy and denies that such practice has been or is contrary to sound public policy.

"3. He denies specification 3 and in that regard specifically denies that he has issued circulars or solicited patients by advertisements or personal communication, and denies that said Association has approached any patient by advertisement or personal communication, except in those instances where an employer desiring to enter into contract with the Industrial Hospital Association has suggested or requested that the Association ascertain whether or not the majority of the employees desired to have the contract entered into for their benefit.

Specifically denies specification (b) of charge 3.

"4. Denies the allegations of paragraph IV and specifically denies that he has permitted any layman to make a direct profit from any fee, salary or compensation received by him.

"(Signed) Chester C. Moore."

Dr. Richard B. Adams: Dr. Moore, has any agent of your Association solicited business in any form?

Dr. Moore: Well now, I have been through the preliminary on this and the charges have been preferred against me, and now if you have any charges against me I will have to ask you to produce the charges—the proof on the charges. In other words, I have been here on a preliminary, what you call sort of get-together, and I talked freely with you, and now I will ask you if you have any charges against me that you produce the proof on the charges.

Dr. Martzloff: Dr. Moore, in your reply here you say under paragraph 2-a, "That he or said Association has"—you deny that you or said Association have directly or indirectly solicited patients. Is that true?

Dr. Moore: Well, I am still making my same statement.

—12—

8385 We talked this all over at a previous meeting and now you have preferred charges against me, and I

will ask, if you now have any charges to prefer against me you will have to prefer the charges yourselves—you will have to offer proof of the charges. I came here in the best of spirit to cooperate with you and talk with you, and I feel now in my own rights that I have to—I will ask you now to produce the proof of charges of what I have done.

Dr. Martzloff: Well, Dr. Adams has here an affidavit on which we base our charge that you or your Association has solicited patients.

Dr. Moore: May I see them?

Dr. Martzloff: You had better read them into the record.

Dr. Richard B. Adams: Will it be all right if I read them and then hand them to you?

Dr. Moore: Yes.

Dr. Richard B. Adams (Reading): "State of Oregon, County of Multnomah.

"Affidavit of John J. Coughlin regarding the Industrial Hospital Association.

"I, John J. Coughlin, being first duly sworn, depose and say:

"That I have made an investigation regarding the Industrial Hospital Association; that I have found

"1. That a representative of the Industrial Hospital Association approached Bushong & Co. in Portland, with the object of getting said company to execute a contract to provide its employees with medical care on a

—13—

8386 prepayment basis. That a meeting of the employees was called, and the employees were addressed by said representatives. That the employees rejected the plan.

"2. That all of the firms that I contacted which had contracts with the Industrial Hospital Association, informed me that the coverage was available to any of their employees regardless of salary. For a particular illustration, I might point to Hirsch-Weiss Co., Jantzen Knitting Mills and Iron Fireman Mfg. Co.

"3. That I found that the Consolidated Supply Co. now has a contract with the Multnomah Hospital Association, which expires very soon. That the personnel man of the Consolidated Supply Co. has been contacted by a representative of the Industrial Association to try to get the

Consolidated Supply Co. to change from Multnomah Hospital Association to Industrial Hospital Association.

"4. That I was informed upon talking to executives of Jantzen Knitting Mills, that the special full coverage policy ordinarily offered by the Industrial Hospital Association for $2.00 a month, was available to the employees of Jantzen Knitting Mills at the special reduced rate of $1.50 per month 'by special arrangement with the Industrial Hospital Association.'

"(Signed) JOHN J. COUGHLIN

"Subscribed and sworn to before me this 16th day of November, 1936.

"(Signed) KARIN M. BURNHAM
Notary Public for Oregon"

—14—

8387 (The affidavit of John J. Coughlin was marked Exhibit 1.)

Dr. Mount: Is there any indication of dates in there?
Dr. Richard B. Adams: Pardon me?
Dr. Mount: Is there any indication of dates?
Dr. Richard B. Adams: Exact dates of contact?
Dr. Mount: Yes.
Dr. Richard B. Adams: No, sir, none mentioned. These are all copies.
Dr. Martzloff: Just hand him one.

(Paper passed to Dr. Moore by Dr. Richard B. Adams.)

Dr. Martzloff: Chester, your second—
Mr. Maguire: Just a moment until we read this.
Dr. Martzloff: Pardon me.
Dr. Moore: Gentlemen, I have read this over and no doubt this is a statement of some person who has made a statement to someone else, purely a statement, that is, as I see, sworn to by someone here who has heard this from someone else. Now these are matters which I personally know nothing particularly about, because I have no direct contact with my sales force, or knowing that anybody from my company might have contacted any of these people; so I know nothing about personally the element of this myself.
Dr. Martzloff: In other words, Chester, you are not

entirely familiar with the actions of your sales force necessarily, are you?

Dr. Moore: Oh, it is impossible. It is impossible for me to know what the sales force might do.

Dr. Martzloff: Chester, how many men do you have on the sales force, please?

—15—

8388 Dr. Moore: We have my manager and three; have three men.

Dr. Martzloff: Three salesmen?

Dr. Moore: Now when you say sales force, that interpretation has taken on a difference in its attitude as the organization has changed. There are things that might have been done a year ago that today would not be sanctioned; there were things that might have been done six months ago that today would not be sanctioned, or probably would not have been sanctioned three months ago. As I have said to you previously, there have been many things going on in hospital association work that I have been willing to come here openly to help you gentlemen to see if this matter couldn't all be adjusted to make contract work clean, and I still stand with that statement, that I want to see—I want to cooperate to my fullest extent as to any abuses that might occur in contract work and see if I can't help you gentlemen clean up hospital association work from its sales end particularly, not considering the professional end.

Dr. Martzloff: Chester, would you mind specifying? You say that as your organization has gone along and increased its experience, that some of your policies have changed. You yourself say that you probably have done things before that you don't approve of now. Just as an example, would you be more specific?

Dr. Moore: No, I didn't say that I had done things.

Dr. Martzloff: You mean the Association?

Dr. Moore: I say there have been. The methods—the methods of contact. Now, for instance, this reiterates the word of mouth statement from one to the other of things that have happened in the Association, where you speak

—16—

8389 of the force contacting someone. Now those things have changed, and changed in a very decided manner after probably—I don't know when this happened; I have no idea when this happened; but I say the whole attitude of hospital association work in my organization has changed from time to time, and where I knew about things

that did occur, if it didn't meet with my approval as I thought it should, I have attempted to correct it.

Dr. Martzloff: Chester, under Item b of your paragraph 2, you deny that your Association denies the reasonable free choice of physician. We have here a photostatic copy of one of your contracts giving limited coverage, and you have here a notice to employers, employees, doctors and hospitals, which is attached to this little contract slip.

Dr. Moore: May I see that?

Dr. Martzloff: This is the slip, and I will have to read to you from the attached slip (passing papers to Dr. Moore). It says under "Limited Coverage", No. 3, for example, "The Industrial Hospital Association has appointed certain hospitals, physicians, surgeons and specialists to render the services to which this certificate applies, and the Association will not be responsible for the expense of any services rendered by the hospitals, physicians, surgeons and specialists not so authorized." Then under No. 4, "Emergency Cases: Call our business office or our staff physicians. If one of our authorized physicians cannot be reached, then call the nearest practicing physician, licensed by the State Board of Medical Examiners, who is hereby authorized to give first aid treatment only at our

—17—

8390 expense. This does not apply to surgical operations or continued treatments, as the case must be referred to our staff physicians as soon as the emergency is taken care of." Doesn't that in your mind indicate a distinct and strict limitation of choice of physician?

Dr. Moore: We have tried to be as practical as is possible in running an organization such as we have, upon the matter of choice of physician. While this particular instance you speak of here is, would seem quite limited, however that is necessary for the protection of an organization. We have, as I have stated to you at previous times, and state again, we have—I think in my letter I quoted that we have in every town where we have any contracts attempted to spread that contract just over the entire territory as thoroughly as can be diversified, with the understanding that we at all times seek to protect the individual, the company and ourselves from impositions of overcharges, improper medical work and factors of that nature. As an example of that I might quote various towns where we have our work. I will first take the town, or we will take the town of Oregon City. In Oregon City the work is open to any doctor. I believe every doctor in Oregon

City is open to do our work. I don't think there are any restrictions. In the town of Hillsboro and out in that district that work is open entirely to all men connected with the Medical Society. I know of no one that has been ruled off in that district. In the town of Astoria it is open to every doctor in Astoria, with probably one or two exceptions. I am not sure, but there are not over one or two, if there are any. In Portland we have a staff of our own

—18—

8391 here, our own staff doctors; I don't mean our consultants, I mean our staff of doctors would probably consist of, say, fully twenty or more, and our patients have access to any of those men. There are no restrictions. We don't try and hold them and say they can only go to one doctor; they have the choice of any of them. Furthermore, we give our patients the right of consultation and our consultants have been very varied. We have used probably throughout your Medical Society, we have probably used almost all of your men in different specialties. So we attempt to broaden out our sphere of choice of doctor as broadly as it can be done, restricting only our right to protect ourselves, to protect our employer and our organization, and I feel that we are protecting our patients from people who haven't a right to render the work, who do improper work, and things of that nature.

Dr. Martzloff: Chester, under No. 5 of this limited coverage description it says, "All cases where the services of a specialist are indicated must be referred to the Association, which will direct the patient to such specialist as may be required." In other words—

Dr. Moore: May I ask—may I say a word again? May I have it read again, please?

Dr. Martzloff: "All cases where the services of a specialist are indicated must be referred by the Association" —pardon me—"must be referred to the Association, which will direct the patient to such specialist as may be required".

Dr. Moore: Yes. Now the way that is done is this: A case comes to the office and when we find out the nature of

—19—

8392 the case we then attempt to place that case in the hands of someone whom I feel, or some other member of my medical staff feels, are proper fields of consultation; I feel, and I have always felt, that if I use good judgment—and I try to use good judgment—that ordinarily I try to place that case in the hands of what is

ordinarily known in the medical profession as the best medical consultation—the best medical consultants. I have always felt that if patients attempted to pick consultants they probably would pick someone who probably didn't know much about the subject they were going after, and I think a doctor has a right to advise. Now our policy is not to restrict that person and keep them away from some certain specialists that they want to go to. If a patient came to me, were referred in to me and the patient said, "Now, I don't like this skin specialist but I would like a certain other one", then my choice, my policy would be, try and give the patient what the patient wants, provided it is all right. And our patients have been given that right. If they don't like one specialist and they feel like they would like to go to another one, we have tried to place them in the hands of that one, so long as they get good service.

Dr. Martzloff: Now as the thing actually works out in practice, isn't it true where special consultation is required that consultation work is done by a small group of men who are practically used time and again for the same type of work?

Dr. Moore: We have certain men in our organization who we have confidence in, who work harmoniously with us, that we know they are capable, we know we have always gotten satisfaction from them, and it is only natural

—20—

8393 that we should use them; yes.

Dr. Martzloff: Now you mentioned the Oregon City situation, where there is a free choice of physician in Oregon City. Now we have had complaints from numerous Oregon City physicians and their complaint is usually to this effect; it is rather unanimous; that is this: That while ostensibly there is a free choice of physician, what actually happens after a while is this: That your manager, Mr. Kirk, has a record of the overhead incurred by all the physicians who render service to the Industrial Hospital Association employees, that is, people who are covered by the Industrial Hospital Association sickness and health insurance. Mr. Kirk is accused of going to the manager of a certain plant and saying to this man, "Now, Dr. So-and-So costs a good deal more to take care of—charges a good deal more to take care of these patients than Dr. So-and-So because he sees them oftener and does dressings oftener. Now it is costing us a lot of money to handle the thing this way. We suggest that you send these men

to some other physician." So that, as the thing actually works out in practice, from what the Oregon City physicians say, while there is ostensibly a free choice of physician actually the choice is not free and influence is used to divert patients to certain physicians in Oregon City.

Dr. Moore: To my knowledge, I know of no actual attempt to divert the work in Oregon City to any particular one man. I think we have tried to use as much diplomacy in the matter as could ordinarily be used, and I don't—I know of no case myself, I know of no effort being made to attempt to divert the work into any channels and re-

—21—

8394 strict it from any other, understand.

Dr. Martzloff: Now the feeling in Oregon City against Mr. Kirk is very, very unfavorable. There is not a physician up there hardly who has a kind word to say for Mr. Kirk. They feel that he is a chiseler and a racketeer, who will pit one doctor against the other by telling one physician or thing and going around and telling another physician another thing, and in that way having the profession in Oregon City in hot water a good part of the time. Dr. Gilstrap is here, Dr. Moore, and I think can give us some information along that very same line, especially as regards the free choice of physician. Dr. Gilstrap.

Dr. W. J. Gilstrap: Shall I just answer from that?

Dr. Martzloff: Will you just state your experience.

Dr. Gilstrap: My experience with the Industrial Hospital Association started with the Astoria one, the Lumbermen's Hospital Association. When they went to come into Portland and to open this field they at once said—

Dr. Moore: I would like to enter an objection here to the statement that the Lumbermen's Association has anything to do with me whatever.

Dr. Gilstrap: This is a combination of the Lumbermen's Hospital Association, only changed the name.

Dr. Moore: No, I never was a member of the Lumbermen's Hospital Association and I never had any contact with it in any way, not as director or anything else, so I would rather that would not be put in the records.

Dr. Martzloff: I think this is merely background lead-

—22—

8395 ing up to what he has to say, Dr. Moore.

Dr. Gilstrap: It does. Shall I proceed?

Dr. Martzloff: Yes.

Dr. Gilstrap: They wanted a contract here and they sent to the Western Cooperage Company to get the con-

tract. Their manager at that time was Mr. Stone. Mr. Stone came to the medical men in the St. Johns district, told us that he would pay the state price, and the National Hospital Association at that time was paying, as I recall, twenty-five per cent less than the state price for the work they would let us do, and that was only emergency work and first aid work. The other had to be sent over town to their staff of physicians in Portland. And he said, "We will allow you to do all this work and pay you the state price." Naturally we were elated to get the state price and to get the increased work, instead of having to send it all over town, and we assisted what we could in getting—in passing the good word along; and after they got the contract he said it only applied to accidents and not to medical cases, as we had previously understood, and we accepted of that and went on for a time very nicely. Mr. Stone lived up to his contract, admitting that part of a misunderstanding, and accepting his interpretation of it. And when Mr. Kirk came in he said he was not bound by that contract. He went to Dr. C. H. Palmer, in our district, and made arrangement with him to contract the work if we didn't cut our prices twenty-five per cent, as I recall, then came to me I think the next man and told me so, and Dr. Swart and the others, and of course that being an industrial district we had to accept it, and we did accept it.

—23—

8396 We went on for a time, and he kept his word, but after a little while he got tired of that. He goes to Dr. Palmer again, and in the meantime before he had gone to Dr. Palmer we knew that he was shopping around and something was liable to happen, so a contract was drawn up between the doctors and we agreed that there would none us—we would all quit work for him, rather, if they materially reduced the work that any of us was getting. In other words, if they singled us out and cut us off the list we would all quit. Dr. Palmer—and I have his written statement in the steel vault of my safe, and if I had known of this I would have brought it over for you. I filed one of those, it was a duplicate, with the County Medical Society.

Dr. Moore: Pardon me, may I just get that last statement. I didn't get that last statement about Dr. Palmer.

Dr. Gilstrap: Dr. Palmer then contracted the work in our district and we were notified by Mr. Kirk that in the interest of organized medicine, increased efficiency, and so on, our work had been very satisfactory, though they had decided to contract it all to the Palmer Clinic, which con-

sisted of one general practitioner and two men just out of the Medical School. They finally left him and others came in, and finally there was a slit-up in the thing and Phillips and Boyd pulled off. Others had left before. And then there was a new man came out, whose name I cannot recall, something like Bendshadler, but that is not the name; Dr. Moore could give it to you if he will; and he wanted us to go back in. In fact, Mr. Kirk had solicited us to return but we didn't do it because he hadn't kept his word

—24—

8397 with us before, and this other man came out something like three years ago last spring; it may have been two; but we turned that down. He was out again last spring, said he was then acting manager; Mr. Kirk was ill. I think one time when he was out he told us he was in the hospital; another time he told us he was in California, as I recall, and he didn't expect that Mr. Kirk would ever be back in the office again; and he assured us that we would get along very nicely with him. But we turned it down again. He soon died after that himself, and Mr. Kirk I understand came back into the office. So the relations of the physicians out there in general has been very unsatisfactory and very much discriminated against in the fact that they would not keep their word. Kirk didn't keep his word at any time and contracted it out, and Dr. C. H. Palmer is the man who was used as the leverage or tool to get the rest of us, or to throw us out, and we have been out for some six years.

Dr. Martzloff: Pardon me, Doctor. The name you are trying to think of was Neustadter, was it?

Dr. Gilstrap: Neustadter is the man I was trying to think of. I couldn't think of his name.

Dr. Martzloff: You say he was taking the place of Mr. Kirk?

Dr. Gilstrap: He was the last time he was out, he told us.

Dr. Martzloff: With the Industrial Hospital Association?

Dr. Gilstrap: Yes, with the Industrial Hospital Association. Then Mr. Kirk he said at one time was in the hospital, and another time he was in California and he was acting as manager. He was very anxious to have us come back. At another time the consideration of another associ-

—25—

8398 ation getting the contract was under consideration, and we thought we were being used as the goats in

the thing and since we had been double crossed before we didn't care to.

Dr. Martzloff: Did Mr. Kirk approach you personally for the Industrial Hospital Association?

Dr. Gilstrap: After we had been dismissed?

Dr. Martzloff: Yes.

Dr. Gilstrap: Once, yes, in my office, and I flatly told him his word wasn't worth anything, he had violated it once and I didn't care to deal with him at all.

Dr. Martzloff: That is all.

Dr. Moore: Just a minute. Could I ask the doctor a question?

Dr. Martzloff: Yes.

Dr. Moore: I want to ask you a question a minute.

Dr. Gilstrap: Yes, Doctor.

Dr. Moore: May I ask you who the moving spirit was in asking you to form an agreement not to do any work for the Industrial Hospital Association?

Dr. Gilstrap: No agreement was formed in which we would personally not do any work for it, except that we were dismissed or materially reduced in the amount.

Dr. Moore: Did you ever agree with any doctors in St. Johns that you would no longer do any work for the Industrial Hospital Association unless all the doctors were permitted to enter into the work?

Dr. Gilstrap: That changes the statement. Let me re-

—26—

8399 state it. I did agree with all the other doctors in St. Johns.

Dr. Moore: All of them?

Dr. Gilstrap: And I have the written statement in my office.

Dr. Moore: Wait a minute. All of them?

Dr. Gilstrap: Every one of them. I think I have every one of them. I am sure I have, in the St. Johns district. Dr. Williams wasn't there, but he assured me afterwards that he would sign it, and I think he would still sign it. I think he has not signed it—that if we were dismissed or materially reduced in the amount of work we wouldn't work for him, and Dr. Palmer is the man that broke it and Kirk came to him, got him to do it and came over to me afterwards.

Dr. Moore: You said you entered into an agreement?

Dr. Gilstrap: All of us entered into an agreement.

Dr. Moore: Yes. Now did you later on, when one of the doctors were dismissed—

Dr. Gilstrap: We were all dismissed but Dr. Palmer.

Dr. Moore: I would rather you would answer the question, please.

Dr. Gilstrap: Then state your question so I can.

Dr. Moore: There was one doctor first, I think you knew of, that was dismissed from the work of the Industrial Hospital Association.

Dr. Gilstrap: No, I never knew of that.

Dr. Moore: You didn't know of that?

Dr. Gilstrap: No; and I don't know it yet.

Dr. Moore: Did any particular doctor come to you to

—27—

8400 help organize this block-out you speak of, that you wouldn't work unless the others were put back to work?

Dr. Gilstrap: As far as I know that didn't happen, and as far as I know no other man was dismissed or considered for dismissal, as far as we know.

Dr. Moore: When I say dismissed, prevented from doing any work out there?

Dr. Gilstrap: Not that I know of. I received the notice, and all the rest of us received notice the same day dismissing all of us.

Dr. Moore: And you never knew of any being done before that time?

Dr. Gilstrap: No; and I don't know it yet.

Dr. Moore: I wish to make a statement in explanation of this, that at the time we were handling the work in the St. Johns district I was quite familiar with the situation. The work was rather openly done. In many instances there were many abuses as to over-treatment; sometimes the charges were not just agreeable to what we would ordinarily consider industrial work, could afford to pay; the bills were higher, but nothing was said. We attempted at all times to harmonize this situation, until finally it came to our knowledge that one doctor in St. Johns was permitting as many as four and five men in an evening, after they would leave their work they went to his office, they received what apparently was a prescription, they left his office and they went back down to the drugstore and as many as four and five an evening got a bottle of Padre wine and went home; and this not only

—28—

8401 occurred once, it occurred many times, until finally the manager of the plant knew about it, heard about it, and brought it to our attention. We started then to

find out who the guilty people were and succeeded in placing the evidence, and as soon as it was found out a dismissal occurred. He was told that he could not do any work for our organization. Now shortly after this happened there was a combination of doctors in that district, who, as I was informed by the office, who all got together and stated that unless all men in St. Johns could continue this work then men like Doctor—your name is Gilstrap, isn't it?

Chairman Sears: Gilstrap.

Dr. Moore: Dr. Gilstrap would not continue the work. I had this brought to my attention, and at different times I have attempted to have the office see if they could not again broaden out the work to some of those who were not guilty of any offence. We never would give any to the guilty ones, but I attempted to see if the ones who were not guilty could not be brought in and again have them do work for our organization, and I particularly named Dr. Gilstrap; and I had them go and see you to talk to you, to see if you would not start again doing work for our organization, because I knew you were not guilty, understand, and I think you were used as the goat. I think the man who was guilty used you. Now about that time this man had many friends in the industrial plant at St. Johns, the men out in that district, and there was a fomentation amongst the employees created to such an extent that the employees were going to go on strike and they were going to demand that the contract, medical contract with the

—29—

8402 the Industrial Hospital Association be canceled.

When that occurred it was brought to my notice. I asked Mr. Kirk then about the conditions, went over the conditions of the things that happened, and I asked him to go to the head of the company and to present these facts and show him the evidence. He went down to Major Eastman's office and laid the things on the table in front of Major Eastman and told him the conditions. Major Eastman said, "Well, I will not permit this sort of thing to go on." He said, "I will stop this." We at that time had an agreement with Boyd and Phillips, or with Palmer, Boyd and Phillips—I don't know how many were connected with him; and Dr. Graves was one of them—had always done our work—that they would continue doing our work. We then had to restrict our work because the others had refused to do the work and we didn't care to go into any expose of anybody. It is not our province to expose any

man who had been doing anything wrong. We never have done it. So the matter was laid before Major Eastman, Major Eastman went out to the plant and posted up a notice, the notice to the effect that Palmer Clinic and the Boyd & Phillips Clinic would handle the work at the plant, and if anybody in the plant, understand, didn't want to continue under those conditions at the plant they could ask for their pay checks; and that stopped the strike. Now after the strike, after it was all settled, I then sent Kirk back, told him to go back to the ones who were innocent and try to get them to come back and do some of this work, and I sent him particularly to Dr. Gilstrap, and I will prove it, to go back and ask you to come back and do work, and you refused.

—30—

8403 Dr. Gilstrap: May I answer him? There is a number of those statements and I have literature to prove them wrong.

Dr. Martzloff: Yes. Go ahead.

Dr. Gilstrap: In the first place, the agreement that was signed was signed something like a year before the dismissal occurred. Remember that. And I have a copy of it in my safe, and a copy that was signed in duplicate was furnished to this Society. And I also have—I furnished my letter of dismissal to this Society, and I have a copy of Dr. Swart's in my safe now, and which I will produce for you people if you want to see it. If I had known this was coming up I would have had it here for you tonight—that evidence. But I assure you I have it, and that agreement that was signed was some time something like a year before, and one of the prime promoters in it was Dr. Palmer.

Dr. Moore: Now in answer to that may I ask you another question?

Dr. Gilstrap: Yes.

Dr. Moore: Did not someone come to you, understand, after this thing occurred, understand, when a certain man was dismissed out there and Palmer was doing the work, did you not then procure—go into an agreement with someone else?

Dr. Gilstrap: No, sir.

Dr. Moore: Huh?

Dr. Gilstrap: No, sir.

Dr. Moore: You never promised anybody else you wouldn't work?

Dr. Gilstrap: I did not. And besides, to the best of my knowledge and belief, every man was dismissed at the

—31—

8404 same time, every other one, and I think I saw all of their letters of dismissal. They were all dismissed, as I understand, the same day, dated exactly the same, with identical copies. That was true of Dr. Swart, that was true of Dr. Graves, that was true of—

Dr. Moore: I might state Dr. Graves has been doing work for us ever since that,—was then and is doing it yet.

Dr. Gilstrap: And they are all identical, and to the best of my belief all dismissed the same day; not as the Doctor says at all. Another thing, he says that Palmer and Phillips and Boyd were doing it. Phillips and Boyd were in the Medical School when that happened and had nothing to do with it; it was Palmer Clinic, and Palmer Clinic only that did the work, and after they pulled off from the Palmer Clinic—one or two other men had preceded them—then they were pulled off, then they commenced to work separately, not in the Palmer Clinic. But they were in the Medical School at the time this incident happened and students—yes, fellow students with my son —either in the Medical School or the interne. And so—now, they were not out; they were not there anyway. This man and Rankin were the men with Palmer the first part. So that statement is not true. It is true Dr. Moore did call me up and want me to go back to work for him. It is true that Mr. Kirk came out and talked to me afterwards and wanted me to go back; but at no time did I ever hear of any such stories as he has told here. That is news to me. I can say I think without fear of contradiction we were all dismissed on the same day.

Dr. Moore: Well, Dr. Gilstrap, you can understand why

—32—

I would never make a statement about any doctor to you or anybody else openly until I have to do so in defense.

Dr. Gilstrap: Yes.

Dr. Moore: Of what I might have done at a certain time.

Dr. Gilstrap: Yes.

Dr. Moore: Now gentlemen, I want to say to you, this has happened a long time ago and what I am telling you here are facts, understand; I am telling you facts. I was sorry. So far as Dr. Gilstrap, I will admit I knew Dr. Gilstrap was innocent of anything. I knew he had—I thought he had been approached by this particular man, understand, the one who was to be dismissed. We were only after one man in St. Johns, but he was too powerful and he

organized his friends with him and his friends, we felt—Dr. Gilstrap says no, but we have always felt that this particular man had organized a little coterie of doctors to block us so that we had to put this man in, and we would have sacrificed the job before we would have put him back. We never will hire him again, never let him work for us, and he knows it.

Dr. Martzloff: Dr. Gilstrap, could we have those letters to which you referred, so that we may keep them?

Dr. Gilstrap: I will furnish you a copy of them very soon.

Dr. Martzloff: We would be very glad to have photostatic copies, please.

Dr. Gilstrap: Well, you people can make photostatic copies. I will bring them over here and deliver them to Mr. Foley and he can make photostatic copies.

Dr. Martzloff: I will be glad for you to do so.

—33—

8405 Dr. Gilstrap: And any other correspondence I have. I think my statement is exactly correct. I haven't looked at it right recently. At least, I have made it in good faith, and I think you will find it is right.

Dr. Martzloff: Thank you very much. Chester, you would not like to divulge the name of the physician in St. Johns?

Dr. Moore: No, I would not.

Dr. Martzloff: Chester, just pursuing this line of restriction of free choice of physician, that we feel has occurred with your organization, we have here a letter which indicates that you do solicit physicians in various communities to do your work for you, and which we construe as again evidence supporting our belief that there is not free choice of physician with the organization. This is to Dr. John C. Vandervert, Bend, Oregon, under date of November 9th, 1936:

"Dear Dr. Vandervert: We have a medical contract with Babler Brothers who are operating in your territory, and we will be pleased to add your name to the list of physicians and surgeons representing us in Bend if this is satisfactory with you.

"Enclosed is a copy of our fee schedule. Before proceeding with cases requiring long continued treatment or operative procedure, special authority should be obtained from this office.

"Each employee reporting to you for service should present you with a hospital ticket showing dues paid for

the month during which the services are to be rendered. The extent of the coverage in each case is explained in detail on the reverse side of this hospital ticket.

—34—

8406 "We will pleased to hear from you regarding this matter so that we may notify the companies in your district if you care to represent us there.

"Very truly yours, Industrial Hospital Association by V. Nelson."

Dr. Moore: Yes. I recommended Dr. Vandervert myself. The office came to me. We had a contractor who had a number of men going into Eastern Oregon on contract work. Those men had to be immunized before they left here for tick fever, which we did at our office here in Portland, but some of them the inoculations couldn't be completed here, so we contacted men that we could depend upon to send the tick fever to them and have them give them the other inoculations. Mr. Kirk came in to me and asked me who was—was there somebdy that they could refer these men to in Eastern Oregon, and I told him I thought Dr. Vandervert was a good man, or to send them to Dr. Vandervert and I thought he would give them good service. This contract not only covered that particular operation in that section of the state but it covered operations in other parts of the state. This was simply a contractor who had suddenly taken a contract in that district and had sent a number of men into that district, and we wanted someone there that we knew was capable and honorable, and I recommended Dr. Vandervert and had Mr. Kirk write him. I didn't see any objection to it.

Dr. Martzloff: How many other doctors do you have in Bend representing the Industrial Hospital Association?

Dr. Moore: We have no contracts in Bend. We have no

—35—

8407 contracts in Bend that I know of.

Dr. Martzloff: Your letter states that you would be glad to add Dr. Vandervert's name to the list of physicians and surgeons representing you in Bend.

Dr. Moore: In other words, when our company say to us, "Who represents you there? Who would you like to go to?" we recommend Dr. Vandervert.

Dr. Martzloff: In other words, he is your only representative in Bend; is that it?

Dr. Moore: We had other men up there, because we had a different man than that give the inoculation because he

was nearer. I have forgotten his name, but I found some doctor who was—I don't know who he was but I knew he was very close to the operation; I knew he had been giving tick fever to the individuals in that section and I wrote a letter to him and sent this tick fever to him, sent him the literature and asked him if he would complete inoculation of those men.

Dr. Martzloff: In other words, you don't have a list of physicians—

Dr. Moore: We have no one else that I know of.

Dr. Martzloff: —in Bend, who represent you?

Dr. Moore: We have no contracts in Eastern Oregon.

Dr. Martzloff: The men that work for the National Hospital Association—for the Industrial Hospital Association receive their compensation, I suppose, in two ways. You have a full time group in Portland, do you not?

Dr. Moore: We have no one in Portland who is on full

8408 time, as I told you in my previous statement here, excepting my own office force, consisting of myself, Dr. Lawler and Dr. Thornton. We are the only full time men paid by the entire Industrial Hospital Association, and the reason of that is very definite, in this way: That there is no method of computing what the fees are I might render to an organization; they couldn't be computed by an organization. They are very often not entirely medical; they are sometimes executive. That is true of Dr. Lawler, who takes my place, and his work likewise is partially executive and partially medical. Dr. Thornton is not—he does not practice medicine and doesn't see our patients excepting as they are referred from our office; he handles our X-ray department and our physiotherapy department. All of his help is paid for by the Industrial Hospital Association, and the whole organization there is paid for by them, and he simply acts as our radiographic specialist, does a lot of X-ray work for us and supervises our physiotherapy department, and he is on a salary.

Dr. Martzloff: A flat salary?

Dr. Moore: A flat salary, yes.

Dr. Martzloff: Is Mr. Kirk on a flat salary, or does he also receive commission?

Dr. Moore: Mr. Kirk?

Dr. Martzloff: Mr. Kirk.

Dr. Moore: You mean what is he now, or what will he be in the future?

Dr. Martzloff: I mean—

Dr. Moore: What has he been.

—37—

8409 Dr. Martzloff: What has he been; on a salary?

Dr. Moore: Always has been on a flat salary.

Dr. Martzloff: No commissions?

Dr. Moore: No commissions. We have never paid any commissions to anybody.

Dr. Martzloff: Outside of what he may have received as as stockholder in dividends, we will say? Has he ever received dividends as a stockholder?

Dr. Moore: Well, the stock itself has not paid dividends, to this extent: That my work in the organization has been on a salary and my work has been so varied that at times there have been times when the organization probably didn't—couldn't even pay its bills, and during that particular month I might have done a thousand dollars worth of work. There are other times when the Association has gotten on its feet and it was able to pay me a salary. So we have always in the organization—if the organization cannot pay me a salary, understand, I can't take it. I take what the organization can afford to pay me. But our salaries as directors in the organization, and Mr. Kirk's salary, varies; his salary varies very largely, as mine varies, understand. Mr. Kirk's base salary is three hundred fifty dollars a month. That is his base salary. And I might say, and I think quoted, and I think you have it in the Martzloff reports, my base salary is four hundred fifty dollars a month, and outside of that I pay my own office girl, my own office rent, and run my own machine, and I have a base salary of four hundred fifty dollars.

Dr. Martzloff: Do you ever get more than that?

Dr. Moore: Yes. You don't suppose that I could practice

—38—

8410 medicine on a base salary of four hundred fifty dollars?

Dr. Martzloff: You mean that is your minimum?

Dr. Moore: That is my base salary, yes.

Dr. Martzloff: In other words, Mr. Kirk can also receive more than three hundred fifty a month?

Dr. Moore: Yes. Now understand there are times when we can't get more, I have only taken my base salary out of that organization because it couldn't pay any more; but, however, when the organization can pay more we allot our salaries.

Dr. Martzloff: In other words, Mr. Kirk has received

more than three hundred fifty dollars a month on that scheme, then, hasn't he?

Dr. Moore: Yes.

Dr. Martzloff: Yes.

Dr. Moore: Yes.

Dr. Martzloff: But now the other physicians that work for you just work according to fee schedule, do they not?

Dr. Moore: All of our doctors work on a fee schedule.

Dr. Martzloff: Now may I have that photostatic copy? Is that fee schedule the same in all communities throughout the state?

Dr. Moore: That I couldn't answer. I couldn't state that one way or the other. I don't know much about how the fee schedules are based.

Chairman Sears: May I ask this question?

Dr. Moore: Yes.

Chairman Sears: I notice in this letter that it was signed—you said that you had ordered Mr. Kirk to write

—39—

8411 this letter to Dr. Vandervert, but the letter was actually signed by Mr. Nelson.

Dr. Moore: Mrs. Nelson is secretary in the office.

Chairman Sears: He is secretary in the office?

Dr. Moore: Yes. In other words, now, when I say I told Mr. Kirk that, maybe Mrs. Nelson asked me; I am not sure which one asked me. I know the office asked me. They often do come in and ask me, "Now, Doctor, we have got a situation up here; what shall we do?" I give them my advice, and when it comes to referring someone to a certain doctor I try to tell them who to send them to.

Dr. Richard B. Adams: Is Mr. Kirk's salary proportionate to the income, the net income, of the organization?

Dr. Moore: Is it proportionate?

Dr. Richard B. Adams: Yes.

Dr. Moore: It is proportionate, yes, in this way: It is proportionate with mine, understand.

Dr. Richard B. Adams: And that is proportionate to the net income?

Dr. Moore: Yes.

Dr. Richard B. Adams: Net profit, you might say?

Dr. Moore: Yes. In other words, it is proportionate with the organization and with the profit of the organization.

Dr. Martzloff: In other words, Chester, if your salary for a given month, instead of being your base salary of four hundred fifty let us say it is a thousand dollars.

Dr. Moore: Yes.

Dr. Martzloff: And Mr. Kirk's salary then, instead of

—40—

8412 being three hundred fifty is correspondingly greater just as yours is greater; is that it?

Dr. Moore: Yes. In other words, the organization as it existed prior to the fact we bought out Mr. Kirk's stock was based on a 25, 25, 25, 25. Dr. Van Dusen had 25, Dr. Pilkington had 25, Dr. Kirk had 25 and I had 25.

Dr. Martzloff: Pardon me, Mr. Kirk?

Dr. Moore: Mr. Kirk.

Dr. Martzloff: Had 25 per cent of the stock and you—

Dr. Moore: Had 25 per cent of the stock.

Dr. Martzloff: Is that the way it stands now?

Dr. Moore: No. We have bought Mr. Kirk out. I think that was in the statement, was it not? I don't think that has been rendered.

Mr. Maguire: Yes.

Dr. Moore: That has been rendered? Now, for instance, the salaries, I work on four hundred fifty dollars, Mr. Kirk worked on three hundred fifty. He is purely an executive, understand. He has full charge of the executive side of the business. I don't attempt to do any executive work. My work is purely medical, and I try to keep away from all the executive work, as far as I can, other than to attempt to know what is going on or to confer with them on medical matters, which executive work has a large medical element in it, and I confer with them and advise them.

Dr. Martzloff: That is, the executive work also includes going out and soliciting contracts, does it not, making

—41—

8413 contacts?

Dr. Moore: Mr. Kirk runs the entire office, the entire executive office. It is very diversified. I don't suppose probably any person would realize how much executive work there is in one of those offices until he goes and spends a day in the office and sees what is going on. It is the same as it would be with any other large corporation doing a large amount of business. And he has his men who work, going out around—Mr. Kirk don't go out very often. However, there are times when Mr. Kirk has to go and contact an employer; oftentimes he has to contact an employer. For instance, I suppose if we were to write, renew a contract with the Jantzen Knitting Mills the chances are Mr. Kirk would be the one to go out to the Jantzen Company, sit down with their manager and write

that contract. It would not be a matter of solicitation; it would be a mere matter of business contact.

Chairman Sears: Well, has Mr. Kirk ever solicited business?

Dr. Moore: Well, for the Association?

Chairman Sears: Yes.

Dr. Moore: Oh, I don't know. I couldn't say when he did, but it would all depend upon what you mean by solicitation. Your term "solicitation" is a very indefinite one. It is hard to say. What do you mean by solicitation?

Chairman Sears: It would be going to an employer—

Dr. Moore: Now, for instance, I just quoted him going out to the Jantzen Company to sign a contract.

Chairman Sears: Yes.

Dr. Moore: Would that be solicitation?

Chairman Sears: Yes, if he approached the employer.

—42—

8414 Dr. Moore: He would have to approach the employer. He couldn't sign the contract without approaching him.

Chairman Sears: Well, unless the contractor approached him first.

Dr. Moore: What?

Chairman Sears: Unless the contractor approached him first.

Dr. Martzloff: Pardon me. Do you want to produce that now?

Dr. John C. Adams: On this question of solicitation, I talked to Chet about it before, as to what constitutes solicitation. I for a long time have done,—looked after some accident cases for the Oregon Transfer Company, partly because Don Bates, who is president, is an old patient of mine and an old friend, and not through any contract but because I know most of the men down there and they came in and asked Don Bates whom they might go and see about a mashed finger maybe and he would send them up to me. Here about a year and a half ago somebody in his organization went down and approached Don Bates with the idea of placing the Oregon Transfer Company under contract with the Industrial Hospital Association. At that time they were covered only for their accidents under the State Industrial Accident Commission, and yet many of them came up to me with strictly medical problems that were not covered, and took care of their bills accordingly. And they also have one other coverage down there. They were paid for their time loss from illness,

because Don Bates carried with the Aetna a policy which reimbursed those men for their time loss to the extent of sixteen dollars a week and he made up the rest of their salary out of the Oregon Transfer Company. Well, when

—43—

8415 Chet Moore, whoever his representative was, approached Don Bates he said, "No; our present coverage is complete as far as accident goes and I wouldn't want to consider it any further"; and Don Bates called me up at the time and told me about this thing and asked me if I thought they should have full coverage, or anything different than they had, and I told him that my feeling was that he was protected against the hazards of his industry and that the men were apparently content and satisfied with the insurance that he carried for them for their time loss, and were apparently able to take care of their own illnesses, and I saw no reason to go any further, which he told the particular representative. During the course of the next few—

Dr. Martzloff: Pardon me. This is the representative of the Industrial Hospital Association?

Dr. Adams: Yes, that is correct. During the course of the next few days that particular representative went to see and solicited in the warehouse and amongst his warehousemen and drivers, solicited them individually and acquired about sixty per cent of his organization on contract with the Industrial Hospital Association. You say, however, that was not a contract through the employer; that consisted of a group of individual contracts. It could not be construed in any other way. And I told Chet about this a long time ago. As a matter of fact, I have been very sore about it.

Dr. Moore: May I say this? You speak about a long time ago.

Dr. John C. Adams: Well, not a long time ago; a year

—44—

8416 ago or six months ago.

Dr. Moore: You spoke about it at the last meeting. No, I don't remember of it before the last meeting.

Dr. John C. Adams: I talked to you about it up at St. Vincent's Hospital early last spring, which told you what my feeling was in the matter.

Dr. Moore: If you did I have forgotten about it. But I do remember at the last meeting when I was here you spoke about it.

Dr. John C. Adams: Correct.

Dr. Moore: And I told you then if you knew of anythings being done in my organization that would not be approved I would be pleased to have you come and let me know about it so I could look into the matter.

Dr. John C. Adams: Well, I am not bringing that point up, Chet, as a condemnation of you as an individual, but this question of solictation has come up and if it were necessary to produce an affidavit to the effect that this happening actually occurred I could do it very easily, you see, but I say that that is something to be very heartily condemned, and you may admit the same thing.

Dr. Martzloff: Dr. Adams, can you in a general way give us the date of this solicitation?

Dr. John C. Adams: Well, it is about two years ago.

Dr. Martzloff: Two years ago. Thank you.

Dr. John C. Adams: That is an approximate date.

Dr. Martzloff: Yes.

Dr. John C. Adams: I still do a great deal of the work

—45—

8417 from down there, looking after a great many of the accidents, but I have no contract. They come to me as individuals.

Chairman Sears: Do those, that group of individuals, still carry on that same contract?

Dr. John C. Adams: With the—

Chairman Sears: With the Industrial Hospital Association?

Dr. John C. Adams: With the Industrial? Yes. As a matter of fact, they are not, as I understand it, because there was no employer contract with the Industrial, they are permitted to go to any doctor for their accidents still, you see, and we had some confusion here about a year ago. A fellow who had a fracture of the maxilla, who Don Bates called me to see and you had already seen him and I said go ahead. It is no consequence one way or another, but, as I understood it, he was not under contract for his injury on the job to go to you, you see. I mean, it was a state—it came under the state accident coverage, and the Oregon Transfer had called me and asked me if I would see him at the hospital, that he had gone up there as an accident, and whoever was on the truck with him—he was a helper—had taken him up there, had called Dr. Moore's organization, so they were seeing him at that time and there was no quibble on my account. I didn't have any strings on it either.

Dr. Martzloff: Thank you, Dr. Adams.

Dr. Richard B. Adams: In part 3, with reference to solicitation and advertising, you state that the Industrial Hospital Association—you deny that they have approached any patient by advertisement or personal communication, except in those instances where an employer desiring to

—46—

8418 enter into contract with the Industrial Hospital Association has suggested or requested that the Association ascertain whether or not the majority of the employees desired to have the contract entered into for their benefit. I have here some copies of advertisements in the Oregon Voter which I can read, except that in some instances they are accompanied by a cartoon suggestive of the enormous load on the patient of individual medical care and the very light load under organized medical protection, in the ratio, as one might judge from the mass here the patient is burdened with about one-tenth or less the expense under organized medical protection.

Dr. Moore: May I see it?

Mr. Foley: What is the date?

Dr. Richard B. Adams: The date is April 27th, 1935, Oregon Voter, page 13.

(Thereupon page 13 of the April 27, 1935, issue of Oregon Voter, was marked Exhibit 2.)

Dr. Moore: Well, gentlemen, this is the first time I have seen this. There was an effort made in my office at one time to do some advertising and when I found it out I had to very strenuously put my foot down on it. However, even though this might have had a cartoon, under the cartoon here it said: "Mr. Employer:" It is not addressed to the employees in any way. It says, "Mr. Employer: If any of your employees were taken ill or injured would the hospital and doctors bills be a burden to them? If so, why not let the Industrial Hospital Association pay these bills for them? This will be done if you are under the protec-

—47—

8419 tion of our Full Coverage Medical Service. It is the modern way of giving protection to groups of employees in all lines of industry." This is in conformity with what I have stated.

Chairman Sears: May I see it?

Dr. Moore: Yes. That is in conformity with what I have stated. I don't approve of the drawings above it. I never saw it before, but I do not approve of it.

Mr. Maguire: Has that been continued?

Dr. Moore: No. I might say that while many things have gone on here and have been brought up, as I stated a while ago, hospital association work is in the process of constant evolution. Salesmen have been forced at times to do things that I think probably would under ordinary conditions, without less pressure, they would not have done, and, as I have stated to you in my preliminary talk here, I think there are many abuses in hospital association work that can be corrected. I have offered my services. In that letter tonight I have told you that with your co-operation I think many of the ordinary abuses can be corrected, and I am perfectly willing to help correct many things that have happened.

Dr. Richard B. Adams: I have another one, August 4th, 1934, page 8, reading, "Full Coverage Medical Protection. 6 months hospital care. 1 year's doctors' services. Acute and chronic illnesses. Accidental injuries. X-rays, prescriptions, and laboratory tests. Extraction of teeth. Choice of associated doctors and hospitals. Cost $2.00 per month.

—48—

8420 Industrial Hospital Association, Will T. Kirk, General Manager, 707 Medical Arts Building."

(Page 8 of the August 4, 1934, issue of Oregon Voter was thereupon marked Exhibit 3.)

Dr. Moore: May I see that, please?

Dr. Richard B. Adams: No mention of employer there; individual item of two dollars.

Dr. Moore: It says here "Full Coverage Medical Protection", the heading of it is. Then it enumerates following that what the full coverage of medical protection is, enumerated by round black marks, one, two, three, four, five, six black marks below this big sign of Full Coverage Medical Protection, and that is all that it says on there, excepting the price.

Dr. Richard B. Adams: Two dollars.

Dr. Moore: Of two dollars, yes. That is the standard contract which we have talked about, and it says nothing about solicitation of any individuals whatsoever.

Dr. Mount: May I see that.

Dr. Martzloff: Yet in your contract with the Jantzen Knitting Mills, Chester, you give them a special rate, do you not, of a dollar and a half?

Dr. Moore: Yes, but they have a little different setup than most of the organizations, and we have attempted to standardize it to our regular standard contract. However,

it has been impossible for us to do so, and we have permitted it to go on, and we think it is a fair contract with them. We think it is a fair contract to us. It is not our

—49—

8421 standard—written many years ago, before we put into effect a standard contract. We have certain things about the service that are eliminated, which bring it into a sphere of those contracts, under which we can serve them; we can do the work and do it well, and without any restrictions, for the price that we are offering it to them. It is not our standard contract, but it was written a number of years ago and it has never been changed, and they don't desire to have it changed and they have managed to hold their morbidity in line with their contract.

Dr. Martzloff: Does that contract with Jantzen Knitting Mills cover the office force and the managers?

Dr. Moore: I don't think it does. I don't think anybody in the upper brackets is covered. I don't think it does. I am not positive on that question but I don't think it does.

Dr. Martzloff: Do you limit your hospital association insurance, Chester, to any particular wage group?

Dr. Moore: We do not.

Dr. Martzloff: In any given industry?

Dr. Moore: We do not. And I have stated to you before, and I state now, that we have—we are in open competition with all other organizations. We have to exist in competition, and the competition has compelled us to conform to what others are doing, and if we expect to stay in business we will have to, in a moderate degree, conform to certain things that will permit us to exist as a hospital association with the competition that we are up against. Now I have told you, gentlemen, that we are willing to cooperate. We would like to see a lot of things changed in

—50—

8422 hospital contract work. We are in hopes, with your help, that you will help us clean up hospital association work, make it impossible for us to have to write the higher brackets, and with your help we can do so. As we are now we are in the position where we can't do so, but with the help from this organization I think we will be placed in the position where we can do so.

Dr. Martzloff: Would you consider the competition you are up against—who would you consider your main competitors in this field, Dr. Moore?

Dr. Moore: We have had some of—our hardest competitor at some times has been the most honorable, and

some of the stings that we receive in competition are from those that buzz around with cut rates in competition and other things that make the work—well, we have to ignore it, the same as you would ignore a mosquito around you; but our hardest competitor is the biggest organization in the state, and we have successfully competed against them a good many years now. We started in as a small organization when they were large, and I think that today we are the second largest organization, and we have built this up in the face of that strong competition. We have still done it and kept our skirts clean, and—

Dr. Martzloff: How did you get your business in this competition with your big competitor? Did it come to you without solicitation?

Dr. Moore: Oh, no. When you say solicitation now, contact; we have always had to contact employers. We

—51—

8423 have always had to contact employers. Some of them have contacted us, but we have contacted them. When I say "we", I mean the Industrial Hospital Association has. Some of the best contracts we have is where our office manager has gone to the office of the head man of some big organization and has arranged a contract with him for his employees. In fact, gentlemen, a hospital association in the face of the competition that exists at the present time could not exist without business contacts—could not exist without business contact.

Dr. Mount: You mean by that solicitation.

Dr. Moore: When I say business contact, it all depends on what you mean by the word solicitation. The question, is a business contact solicitation?

Chairman Sears: I would define it, Dr. Moore, as having a representative of the Hospital Association approach a business man, leader in business, before that business approached him, would be my understanding. Would that be yours?

Dr. Moore: Well, I can't say that I could place a definite interpretation upon what would be called solicitation in a hospital association. I do feel, however, that it could be gotten together by men who understand the technicalities of this business and some definite plan could be formulated that would always make it clean. Simply because you go to a man, because a business man contacts a man for business, is no particular reason why he is a solicitor, understand. You cannot—you can't write a contract without

contact, and I think a business man has got the right to go and talk with another business man.

—52—

8424 Dr. Mount: Would you go as an individual, Doctor?

Dr. Moore: No. It is not by business. I am a doctor.

Dr. Mount: Well, isn't a member of your organization representing you?

Dr. Moore: He represents the organization, but he don't represent me. No.

Dr. Mount: Well, isn't he selling your services?

Dr. Moore: Well, he is selling the services of the Association and I am its president, and I do the medical work.

Dr. Mount: Isn't the chief—

Dr. Moore: Now you might put the same thing in—if I may I will put it in another manner: We may take an insurance company. You do work for an insurance company, but the men in the insurance company that you are doing the work for are out soliciting insurance all the time. Now because you do the work for the man who solicits the insurance, the question is, are you now a party guilty of solicitation?

Dr. Mount: The question in my mind is whether or not your representatives are not selling medical service. Isn't your chief commodity medical service?

Dr. Moore: Part of it. It is only part of it. There is the hospital service, and drugs, and all this outfit, medical service and combination for first aid and all.

Dr. Mount: Isn't medical service the backbone of the whole business?

Dr. Moore: Naturally medical service is the large element of it, a large element of it. But no one goes out

—53—

8425 and sells me as Dr. Moore, understand. No one tries to sell Dr. Moore or send a patient to me. In fact, most of the work that comes in, I don't see it. My duties are such that I don't see a great deal of this work. I have got a lot of other duties to perform. That is just a portion of it.

Dr. Richard B. Adams: May I at this time introduce further literature into the record?

Chairman Sears: Yes.

Dr. Richard B. Adams: Oregon Voter, April 28, 1934, page 21, advertisement.

(Page 21 of the April 28, 1934, issue of Oregon Voter, was marked Exhibit 4.)

Dr. Richard B. Adams: Oregon Voter, February 2nd, 1935, page 19, advertisement by the Industrial Hospital Association.

(Page 19 of the February 2, 1935, issue of Oregon Voter was marked Exhibit 5.)

Dr. Richard B. Adams: Oregon Voter, March 2nd, 1935, page 9, half page practically.

(Page 9 of March 2, 1935, issue of Oregon Voter, was marked Exhibit 6.)

Dr. Moore: There is nothing specific in this that is any different from the first two you entered.

Dr. Richard B. Adams: No; I didn't read them. I am merely introducing them.

Dr. Moore: There is nothing in any of them that states that any service is done otherwise than furnished to an employer or to a group, is there?

—54—

8426 Dr. Martzloff: Well, the point is—

Dr. Richard B. Adams: It might not always be exactly clear as to what group is being solicited by such an ad, either.

Dr. Martzloff: You are getting individual patients—

Dr. Moore: "Group health insurance".

Dr. Martzloff: Yes, but you are getting individual patients through soliciting groups, are you not? And, as Dr. Adams said a moment ago, your solicitor within a period of six months or twelve months ago solicited patients individually that he had had under his care for a number of years prior to that time—the Oregon Transfer Company, if I am not mistaken.

Dr. Moore: The man he spoke about I believe was the employer; is that the man you are speaking about?

Dr. Martzloff: Yes; Mr. Bates.

Dr. Moore: He talked with the employer.

Dr. John C. Adams: And with the employees later?

Dr. Moore: Yes.

Dr. Richard B. Adams: May I introduce Oregon Voter advertising section, page 14, December 31, 1932, a two-page, or, rather—pardon me—a page and a half, half of page 15.

(Pages 14 and 15 of December 31, 1932, issue of Oregon Voter were marked Exhibit 7 and Exhibit 7-A.)

Dr. Moore: This is 1932.

Dr. Richard B. Adams: Yes.

Dr. Moore: Yes. May I ask, is there anything of a recent nature, within the last year?

Dr. Richard B. Adams: 1935 I believe is as recent as they go.

—55—

8427 Dr. Moore: Was the last, yes.

Dr. Richard B. Adams: We have a photostatic copy of an affidavit filed with the Insurance Commissioner of the State of Oregon for the Association for the year 1935, in which an item of $183.74 is listed under the heading advertising.

(The photostatic copy of annual statement for year 1935 of Industrial Hospital Association, consisting of three sheets, was marked Exhibit 8.)

Dr. Richard B. Adams: I have a copy of the manual for members of the Jantzen organization, January, 1931, "Service to the Members of the Organization, Section 3, Jantzen Health Association".

(The matter referred to on pages 8 and 9 of Manual for Members of the Jantzen Organization, January, 1931", were marked Exhibit 9 and Exhibit 9-A.)

(The reporter here made a statement with reference to marking the exhibits.)

Dr. Richard B. Adams: This booklet is distributed at the present time, as I understand. I have a copy of the 1931 booklet, however. I might read it all but it would take quite a while. I will submit it to you. Perhaps the highlights are that anyone entering the employ of the Jantzen Knitting Mills is immediately eligible for membership in the Jantzen Health Association. Cost of membership is a dollar and a half a month, with statements to such effect that membership in Health Association removes the risk of incurring doctor and hospital bills; the threat which is constantly brought to the attention of the individual

—56—

8428 reading this copy.

Dr. Moore: May I explain Jantzen, as far as I know it? I don't know the details, but the explanation of the Jantzen situation is that they have their own Health

Association. The employees, with the cooperation of the employer, formed an organization there, and then they asked us to take the contract for the supplying of the medical service to that organization, and that was written a number of years ago when we took that contract, and it has been carried on and we are the representative, the medical representatives carrying out, as a hospital association, the furnishing of the services to the organization, Jantzen Health organization.

I would like to ask—as I said a while ago, a lot of the features of hospital association work have changed, and they are altered, and I have tried to stop things that I knew came up from time to time. These things no doubt existed many several years ago, many of the things I have corrected since that time. I have attempted to correct many of the abuses that have occurred in the organization, as far as I could, and I am still attempting to correct them, and I don't know whether you have got anything recent or not. I have put in vogue certain orders with Mr. Kirk, asked him to carry them out, the board of directors did, within the recent year; and not only have we done—made certain changes and attempted to better the conditions, but we are even willing to go further than we have gone if we can just get the help to do it.

Dr. Richard B. Adams: Dr. Moore, in substantiation of that statement—

—57—

8429. Dr. Moore: I want to ask here, it is rather important about this Jantzen Health Association, and I dont know whether you gentlemen have read the pamphlets put out by many of the railroad companies and other large companies, in which they have their own organization and in which they call attention to the health matters in the railroad companies, to the effect that they have a medical service; and I dont know that, when you read that, you will find that any different than you will probably find in any pamphlet that is printed by any organized body within a railroad or any other organization. I think there is nothing wrong about it, and I think it is perfectly—they publish it themselves; we don't publish it, understand. It is their own editor's statement in there, not ours.

Dr. Richard B. Adams: Well, you understand, Dr. Moore, this has been presented to this committee.

Dr. Moore: That is all right, but I just want to call your attention to the fact—

Dr. Richard B. Adams: And we must present it to the Board.

Dr. Moore: —that any editor of any organized bunch would write an article about doctors and about doctors' organization and put in just about such an article as that.

Dr. Richard B. Adams: Yes. That article, I might say, in fairness, is not signed by the Industrial Hospital Association. It, however, is a standard manual given to all workers.

Dr. Moore: And published by them.

Dr. Martzloff: Chester, may I ask how this contract with the Jantzen Woolen Mills—Knitting Mills, came about?

—58—

8430 Dr. Moore: How did it come about?

Dr. Martzloff: Yes.

Dr. Moore: Well, that is very difficult for me to answer that, it has been so long ago, but I probably have—I think that when the contract was first written we had—instead of Mr. Kirk being with us we had a man by the name of Stone, and if I am not mistaken I believe there was—they were—they had under consideration several hospital associations that they wanted—were thinking of to have handle this work, and while Mr. Stone was with the organization Mr. Stone succeeded in getting the contract for our organization. Now just the procedure by which he got it and all that I can't answer. I will say this, though: That in our solicitation work there have been many abuses in solicitation work, and one thing that I have always insisted in our organization is that we come clean on solicitation. While I don't know the exact facts, I could say to you that this contract was written, that there was nothing in the way of buying it or offering free services to anybody to get it. It was gotten because I think the Jantzen Health Association felt that we were the people to render the service. Well, it has proven that they were right. We have rendered it to them satisfactorily, and they have never left us; and I know dozens of organizations have gone out there to try to get the contract away from us and they have never changed. The people are satisfied, the management is satisfied, and they absolutely don't want to change the contract. They said, "Everything is satisfactory. Our people are satisfied; you people haven't lost money on it." "No, we haven't." "You have been able to pay your bills?" "Yes." "Well then, we desire the contract to be left as it

8431 was. We will stay with you."

Dr. Richard B. Adams: I might ask you, Dr. Moore, if you are familiar with Section 4, Chapter III of the Principles of Medical Ethics, which reads as follows: "Solicitation of patients by physicians as individuals, or collectively in groups by whatsoever name these be called, or by institutions or organizations, whether by circulars or advertisements, or by personal communications, is unprofessional. This does not prohibit ethical institutions from a legitimate advertisement of location, physical surroundings and special class—if any—of patients accommodated. It is equally unprofessional to procure patients by indirection through solicitors or agents of any kind, or by indirect advertisement, or by furnishing or inspiring newspaper or magazine comments concerning cases in which the physician has been or is concerned."

Dr. Moore: What number is that, please?

Dr. Richard B. Adams: This is Section 4, Chapter III.

Dr. Mount: Page what?

Dr. Richard B. Adams: Page 7. "All other like self-laudations defy the traditions and lower the tone of any profession and so are intolerable. The most worthy and effective advertisement possible, even for a young physician, and especially with his brother physicians, is the establishment of a well-merited reputation for professional ability and fidelity. This cannot be forced, but must be the outcome of character and conduct. The publication or circulation of ordinary simple business cards, being a matter of personal taste or local custom, and sometimes of convenience, is not per se improper. As implied, it is

8432 unprofessional to disregard local customs and offend recognized ideals in publishing or circulating such cards.

"It is unprofessional to promise radical cures; to boast of cures and secret methods of treatment or remedies; to exhibit certificates of skill or of success in the treatment of diseases; or to employ any methods to gain the attention of the public for the purpose of obtaining patients."

(The book entitled "Principles of Medical Ethics of the American Medical Association", from which the above was read, was marked Exhibit 10.)

Dr. Martzloff: It is merely our purpose in this, Chester, to indicate to you why we presented this evidence of advertising, you understand. Chester, in your prepared statement you mentioned the fact, did you not, that you had purchased Mr. Kirk's interest?

Dr. Moore: Yes, we have.

Dr. Martzloff: That is effective now, is it?

Dr. Moore: Yes.

Dr. Martzloff: Does Mr. Kirk have any further connection with your Association?

Mr. Moore: He is connected in this way: That he is the—of course, he is on salary and is manager of the office.

Dr. Martzloff: He is still in your office on salary?

Dr. Moore: He is still manager of the Industrial Hospital Association's office.

Dr. Martzloff: Would it be a fair question to ask you what you had to pay him to get him out?

—61—

8433 Mr. Maguire: I would say this, if I be permitted—

Dr. Martzloff: Pardon me. We are speaking to Dr. Moore.

Mr. Maguire: Yes, I know it, but this is a matter in which I must advise the doctor, if I may. I have to say to the doctor that I would have no objection to his testifying to that or stating that in the presence of the committee. There are, however, persons present who are not members of the committee or representatives of the committee.

Dr. Martzloff: We would be glad to ask them to leave, Mr. Maguire.

Mr. Maguire: Yes, if you don't mind.

Dr. Martzloff: If you don't mind, please. He doesn't want to give us the information in the presence of—Mr. Maguire, Dr. John Adams is secretary of the Society. Is it permissible for him to stay?

Mr. Maguire: Oh, yes, yes.

Dr. Martzloff: Is there any objection to Mr. Snedecor?

Mr. Maguire: Oh, no.

Dr. Martzloff: Is the coast clear, so to speak?

Mr. Maguire: Yes.

Dr. Martzloff: Pardon the embarrassment that we put you to.

Dr. Moore: The agreement is here and it is five thousand dollars in cash and it is a promissory note for five thousand eight hundred eighty-eight dollars twenty-five cents.

Dr. Mount: Give me those figures. I was talking.

Dr. Moore: Five thousand in cash and $5,888.25.

—62—

8434 Mr. Maguire: I may state to the committee I helped to get those figures up. That is the book value of the stock, not good will value but merely book value.

Dr. Martzloff: That is his total consideration for surrendering his partnership?

Dr. Moore: Yes.

Dr. Martzloff: The total sum of ten thousand dollars and some odd cents?

Mr. Maguire: No; ten thousand eight hundred—

Dr. Moore: Eight hundred eighty-eight twenty-five.

Mr. Maguire: Eight eight eight twenty-five.

Dr. Martzloff: May I also ask what salary will he now receive as an employee of your Association?

Mr. Maguire: I think it is four hundred twenty dollars. Just a second. No. Forty-two hundred a year; what is that?

Dr. Moore: Three hundred fifty a month.

Mr. Maguire: Three fifty.

Dr. Martzloff: Three hundred fifty dollars a month?

Dr. Moore: Yes.

Dr. Martzloff: Now does he also enjoy anything in the nature of a bonus or a reward if the organization has had a good year?

Mr. Maguire: Yes.

Dr. Moore: He has to take a loss if the organization doesn't—if it goes down. In other words, he has to go down, and he goes up if the organization makes a profit, but he cannot participate in anything the organization accumulates. He takes a bonus.

Dr. Martzloff: You say he may go down; you mean that

—63—

8435 he goes down below his base salary?

Dr. Moore: I mean that his base salary—we give him a base salary, understand.

Dr. Martzloff: Yes.

Dr. Moore: And we give him a bonus, but he cannot participate in anything over and above what his bonus is for the year. In other words, he can't participate in any of the accumulations of the organization. He is through as far as any interest in the organization is concerned, as far as its assets are concerned.

Dr. Martzloff: This ten thousand dollar remuneration he receives for his partnership asset, does that also in-

clude any share he may have in the accumulated assets of the organization?

Mr. Maguire: Yes. That is the total amount he can receive, five thousand cash, fifty-eight hundred eighty-eight dollars twenty-five cents.

Dr. Moore: He can't receive any more than that.

Dr. Martzloff: Will his bonus be directly dependent upon the profits of the organization, or indirectly?

Mr. Maguire: Yes; yes, it will.

Dr. Martzloff: How many stockholders do you now have?

Dr. Moore: We have only three now.

Dr. Martzloff: Three physicians?

Dr. Moore: Dr. Van Dusen, Dr. Pilkington and myself.

Dr. Martzloff: Do you have anything further?

Chairman Sears: Have you anything, Dr. Mount?

Dr. Mount: No.

Chairman Sears: Dr. Benson, have you any questions

—64—

8436 to ask?

Dr. Benson: No. I think it has been covered pretty well.

Dr. Mount: Have you a copy of those charges?

Dr. Martzloff: Pardon me, Chester, I would like to introduce this letter.

Dr. Moore: I just want to call your attention, in speaking about profit and loss in a hospital association—

Dr. Martzloff: Pardon me.

Dr. Moore: All right.

Dr. Martzloff: I want to introduce these as an exhibit.

Dr. Moore: All right.

Dr. Martzloff: You have seen these already.

Dr. Moore: That is a copy of that contract?

Dr. Martzloff: A copy of the contract, the letter to Dr. Vandervert and the fee schedule.

Dr. Moore: All right.

(A photostatic copy of instrument headed "Industrial Hospital Association (Incorporated) Limited Coverage," consisting of two sheets, was marked Exhibit 11; photostatic copy of letter dated November 9, 1936, Industrial Hospital Association to Dr. John C. Vandervert, was marked Exhibit 12; and fee schedule was marked Exhibit 13.)